

REMARKS

Claims 1, 4-20 and 22-42 are currently pending in the subject application and are presently under consideration. Independent claim 1 has been amended to correct a minor informality. A listing of the claims can be found at pages 2-8 of this Reply.

Favorable reconsideration of the subject patent application is respectfully requested in view of the comments and amendments herein.

I. Rejection of Claims 1, 2, 5-6, 8, 11, 13, 34-47, 40, and 41 Under 35 U.S.C. §103(a)

Claims 1, 2, 5-6, 8, 11, 13, 34-47, 40, and 41 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren, *et al.* (US 2003/0041002, hereinafter referred to as “Irribarren”) in view of Eso, *et al.* (US 20030028473, hereinafter referred to as “Eso”).

Withdrawal of this rejection is respectfully requested for at least the following reasons. Both Irribarren and Eso are non-analogous art, and therefore not proper references. In addition, the combination of Irribarren with Eso in the manner suggested by the Examiner lacks proper motivation to combine and further does not yield a reasonable expectation success. Still further, the combination would be inoperable and, therefore, fails to constitute *prima facie* obviousness.

Whether something legally within the prior art is analogous is a fact question. Two criteria are relevant in determining whether prior art is analogous: (1) *whether the art is from the same field of endeavor*, regardless of the problem addressed, and (2) if the art is not within the same field of endeavor, *whether it is still reasonably pertinent to the particular problem to be solved*. *Wang Lab. v. Toshiba Corp.*, 993 F.2d 858, 864 (Fed. Cir. 1992) (held that reference to a SIMM memory module for an industrial controller was not necessarily in the same field of endeavor as a DRAM memory module merely because both relate to memories) (emphasis added).

The claimed subject matter relates generally to multiple supplier volume pricing. More specifically, a virtual forum can be provided that facilitates electronic communication between buyers and suppliers. For example, a buyer can request bids for product from suppliers of that product, wherein each of the bidding suppliers (*e.g.*, those that respond to the request for bids) can submit a price curve for the product. The price curve can include a unit price for each tier based upon the quantity/volume. Accordingly, the virtual forum can display various information

associated with the bids and/or price curves in real time. (See e.g., pg. 17, ll. 3-31). In particular, independent claim 1 (and similarly independent claim 8) recites, “at least one buyer employs the at least one computer to request, retrieve, and accept online bids that include a price curve for a product from bidding suppliers, *the price curve specifying a unit price in tiers based on the total volume purchased.*” As the Examiner concedes, Irribarren does not teach or suggest these distinguishing features, and moreover, neither Irribarren nor Eso are analogous art.

Rather, Irribarren relates to meeting *unmet demand* for completed auctions. (See Abstract). In particular, Irribarren notes that prior auction systems do not distinguish between small price disparities and larger ones. That is, if a buyer bids \$999 for an item while the seller’s price is \$1000, then the auction will be unsuccessful, even though a mere \$1 separated the two. In essence, the disparity might as well have been \$1000 rather than a single dollar as far as prior systems are concerned. (See paragraphs 0010, 0051). Thus, relying upon the assumption that face-to-face negotiations would not fail with small price disparities (see paragraph 0051), Irribarren generates a new bidding cycle for unmet demand when the price difference is within a pre-agreed range. (See paragraph 0052). For example, when an auction fails to generate a completed transaction for a product, and further, where the bid price and the ask price are within a pre-agreed range (e.g., the buyer and seller are close on price points), then Irribarren generates a new bidding cycle to address this unmet demand.

Accordingly, although both Irribarren and the claimed subject matter are both directed to e-commerce, they are not necessarily in the same field of endeavor, just as a SIMM memory module and a DRAM memory module are not necessarily in the same field of endeavor merely because both relate to memory. (See *Wang Lab., supra*). In particular, Irribarren is directed to a very narrow field of resolving *unmet demand*. More particularly, Irribarren only applies to a previously unsuccessful e-commerce auction wherein the price difference is relatively small, because unless the prior auction has first failed and further failed only by a relatively small amount, there is no *unmet demand* as defined by the reference. Additionally, designing to meet unmet demand, as provided for in Irribarren, is not reasonably pertinent to the particular problem of providing “a virtual forum to facilitate electronic communication between buyers and suppliers” based upon “specifying a unit price in tiers based upon the total volume purchased.” Irribarren is void of any teaching relating to price tiers and/or price tiers based upon volume.

Likewise, Eso is non-analogous art. Eso relates to mathematically solving a buyer's *decision problem* by evaluating and approximating bids from suppliers. (See paragraphs 0008 and 0009). That is, when a buyers wants to procure a quantity of *heterogeneous products*, Eso can determine how much of each commodity to buy from each supplier so that the buyer's demand is satisfied in the most economical way possible. (See paragraph 0028). While also being directed to the field of e-commerce, Eso is very limited in its application, since it only applies to situations in which the buyer desires to purchase multiple commodities or products (e.g., heterogeneous products), a subset of each is offered by multiple suppliers at respective prices. (See paragraphs 0026 and 0027). Otherwise, there is no *decision problem* (to which Eso is expressly directed), because unless these rare prerequisites are met, the buyer need only perform a strict price comparison between suppliers in order to know which is most economical, and the latter does not require any sort of mathematical formulation. Thus, Eso is aimed at solving a buyer's decision problem under very particular circumstances, which is markedly different from the field of endeavor of the claimed subject matter, even though both relate broadly to e-commerce.

For at least the foregoing reasons, it is readily apparent that both Irribarren and Eso are (1) not from the same field of endeavor, and (2) not reasonably pertinent to the particular problem solved. Hence, this rejection of independent claims 1 and 8 as well as all associated dependent claims should be withdrawn.

Moreover, even if both Irribarren and Eso do constitute analogous art, the combination of the two references is improper because there is not a reasonable expectation of success nor does either reference indicate a reasonable expectation of success.

To reject claims in an application under §103, an examiner must establish a *prima facie* case of obviousness. A *prima facie* case of obviousness is established by a showing of three basic criteria. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. See MPEP §706.02(j). The teaching or suggestion to make the claimed combination *and the reasonable expectation of success must both be found in the prior art and not based on*

applicant's disclosure. See In re Vaack, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991) (emphasis added).

Recall that the object of Irribarren is to provide for unmet demand, which occurs only after a prior bidding cycle in which neither the buyer nor the supplier successfully completed a buy/sell transaction, but their respective price points (which failed) were close enough to each other. Hence, Irribarren is directed to renegotiating failed prices, while Eso requires precise price points known in advance (e.g., before the auction is completed, not after it fails) in order to approximate the most economical solution for the buyer. The mathematical algorithm supplied by Eso is not equipped to handle a new, undisclosed variable such as introducing a different price after an auction has failed, as is required by Irribarren.

On the other hand, Irribarren is not equipped to properly detect unmet demand under the circumstances described in Eso. For example, Irribarren contemplates detecting relatively small price differences between the buyer and seller as it relates to a single product, but in no way contemplates volume buying at different price tiers, let alone for heterogeneous products. As a result, while the exemplary illustration at paragraph 0051 of \$1 is employed to illustrate a very *small* price disparity, in the volume/tier pricing side of e-commerce (e.g., Eso), this can be a very *large* price disparity. Hence, the effectiveness of Irribarren to detect unmet demand would be virtually useless since all the suppliers are likely to be very close in terms of pricing anyway. Moreover, since Eso requires heterogeneous products by multiple suppliers in order to operate, the situation could exist that a losing supplier actually had a *lower* price for one product than did the supplier who won the bid. That is, the model described in Eso could determine that although a first supplier has a higher price per unit for item A than a second supplier, the difference is more than made up by a discount for item B. Consequently, Eso recommends the first supplier over the second supplier, and Irribarren is left with the situation that the supplier's asking price is actually lower than the bidder's bidding price. Irribarren clearly does not contemplate this situation, even though it is very certain to occur under Eso. Thus, the combination of these two references would be inoperable and would undermine the object of one or both of the disclosures. In addition, neither reference suggests a reasonable expectation of success for the combination, nor has the Examiner indicated such.

Finally, even if Irribarren and Eso are deemed to be analogous art, and a reasonable expectation of success for combining the two can be found in at least one of the references, the combination is still insufficient to render the claimed subject matter *prima facie* obvious. In particular, as the Examiner indicates at page 4 of the Final Office Action (dated September 13, 2006), Irribarren fails to teach or suggest *the price curve specifying a unit price in tiers based on the total volume purchased*. Consequently, the Examiner relies upon Eso to disclose this aspect. Assuming *arguendo* that Eso does teach the price curve specifying a unit price in tiers based on the total volume purchased, the Federal Circuit has consistently held that

...‘*virtually all [inventions] are combinations of old elements.*’

Therefore an examiner may often find every element of a claimed invention in the prior art. *If identification of each claimed element in the prior art were sufficient to negate patentability, very few patents would ever issue.* Furthermore, rejecting patents solely by finding prior art corollaries for the claimed elements would permit an examiner to use the claimed invention itself as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention. *Such an approach would be ‘an illogical and inappropriate process by which to determine patentability.’* *In re Rouffet*, 149 F.3d 1350, 1357, 47 U.S.P.Q.2d 1453 (Fed. Cir. 1998) (citations omitted). *Proof that the separate elements exist in the prior art is inadequate to establish obviousness.* *Arkie Lures Inc. v. Gene Larew Tackle Inc.*, 43 USPQ2d 1294, 1297 (Fed. Cir. 1997).

Accordingly, the Federal Circuit requires the Examiner to show reasons that the skilled artisan, confronted with the same problems as the inventor and *with no knowledge of the claimed invention*, would select the elements from the cited prior art references for combination in the manner claimed. See *In re Rouffet*, *supra* at 1357. Here, in total, the Examiner has relied upon no fewer than twelve separate references in order to locate various distinguishing features of the subject claims. Applicant’s representative respectfully submits these twelve references were chosen not based upon suggestions from the references themselves (as required for a *prima facie* case for obviousness), but rather by using applicant’s claims as a blueprint and selecting the references in hindsight.

For example, “Under 35 U.S.C. 103 where the examiner has relied on the teachings of several references, the test is whether or not the references viewed individually and collectively would have suggested the claimed invention to the person possessing ordinary skill in the art. It

is to be noted, however, that citing references which *merely indicated that isolated elements and/or features recited in the claims are known is not a sufficient basis for concluding that the combination of claimed elements would have been obvious*. That is to say, there should be something in the prior art or a convincing line of reasoning in the answer suggesting the desirability of combining the references in such a manner as to arrive at the claimed invention... [I]t would not have been obvious to modify [the prior art] ... without using [the patent application's] claims as a guide. It is to be noted that simplicity and hindsight are not proper criteria for resolving the issue of obviousness.” *Ex parte Hiyamizu*, 10 USPQ2d 1393 (BPAI 1988).

Accordingly, for Irribarren and Eso (*e.g.*, just 2 of the 12 different references), the Examiner suggests at page 5 of the Final Office Action the motivation to combine is “to provide quality evaluation of bids according to requirements specified by a requester in complex settings.” However, Irribarren does not contemplate complex settings such as heterogeneous products from multiple suppliers with tier-based or “piece-wise linear supply curves” as outlined in (and required by) Eso. One of ordinary skill in the art, when confronted with Irribarren would not decide what is needed is an economical solution for very complex piece-wise linear supply curves when Irribarren is not intended to operate in that setting nor even be operable, since, *e.g.*, the disparity between prices (*e.g.*, ask price – bid price) for some products is likely to be negative. Conversely, an artisan of ordinary skill, when confronted with Eso’s economical approximations for bids does not contemplate unmet demand. Rather, Eso is a solution for what the buyer should buy, not what suppliers had available after a bidding cycle. Hence, Eso would not create *ex nihilo* any reason or need to look to Irribarren. For at least the foregoing reasons, the Examiner has failed to provide a *prima facie* case for obviousness and this rejection with respect to independent claims 1 and 8 as well as all associated dependent claims should be withdrawn.

II. Rejection of Claims 4 and 9 Under 35 U.S.C. §103(a)

Claims 4 and 9 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso, and in further view of Abeshouse, *et al.* (US 2002/0099643, hereinafter referred to as “Abeshouse”). Withdrawal of this rejection is respectfully requested for at least the following reasons. Abeshouse does not cure the deficiencies associated with the proposed

combination of Irribarren and Eso. Moreover, there is no motivation to combine or a reasonable expectation of success for the combination of Abeshouse and Irribarren.

In particular, Abeshouse is directed to providing market opacity in order to protect the identity of the bidding parties and their bids and/or to promote *bona fide* bids in order to gain access to this information. (See Abeshouse, paragraphs 0074-0076). In essence, Abeshouse expressly promotes anonymity whereas Irribarren rests upon the principles of emulating face-to-face negotiations. (See Irribarren, paragraph 0051). In addition, Irribarren is directed to meeting unmet demand when an auction fails, but when price points are close, whereas Abeshouse does not contemplate auctions failing at all, much less by small margins. In fact, by automatically creating a new bidding cycle, Irribarren creates less of an incentive to bid aggressively, whereas Abeshouse is expressly founded on the notion of creating an incentive to bid aggressively. Accordingly, when presented with one of Abeshouse or Irribarren, one of ordinary skill in the art would not be motivated to look to the other in order to combine the references. Hence, this rejection should be withdrawn.

III. Rejection of Claim 7 Under 35 U.S.C. §103(a)

Claim 7 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Muftic (US 5,850,442). Withdrawal of this rejection is respectfully requested for at least the following reasons. Muftic does not remedy the deficiencies with respect to the proposed combination of Irribarren and Eso as applied to independent claim 1.

In particular, claim 7 depends from independent claim 1, which is believed to be allowable. Muftic, which relates generally to secure Internet commerce (*see* Abstract), and specifically to transacting an auction by means of a BBS or a chat room (*see* Fig. 23), does not remedy the aforementioned defects. Accordingly, this rejection should be withdrawn.

IV. Rejection of Claims 10 and 42 Under 35 U.S.C. §103(a)

Claims 10 and 42 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Gellman (US 2002/0035536). Withdrawal of this rejection is respectfully requested for at least the following reasons. Gellman does not make

up for the shortcomings of the proposed combination of Irribarren and Eso. In particular, Gellman, which relates to a value discovery mechanism for various classes of consumers does not overcome the deficiencies with respect to Irribarren and Eso. Accordingly, this rejection should be withdrawn.

V. Rejection of Claims 12 Under 35 U.S.C. §103(a)

Claim 12 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Lee, *et al.* (US 2002/0065762, hereinafter referred to as “Lee”). Withdrawal of this rejection is requested for at least the following reasons. Lee is insufficient to remedy the improper combination of Irribarren and Eso. Moreover, claim 12 recites, “*a buyer specifies the period of time in which bids must be received*” whereas Lee teaches at the indicated portions that a buyer specifies the period of time in which the RFQ are to *be posted*. Specifying a period of time in which bids must be received is materially distinct from specifying a period of time in which RFQs are to be posted (*e.g.*, a duration in which bids must be received is different from a duration in which those bids, once received, will be posted). Accordingly, applicant’s representative respectfully requests this rejection be withdrawn.

VI. Rejection of Claims 14 Under 35 U.S.C. §103(a)

Claim 14 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Hao, *et al.* (US 2002/0065762, hereinafter referred to as “Hao”). This rejection should be withdrawn for at least the following reasons. Hao does not remedy the impermissible combination of Irribarren and Eso with respect to independent claim 8 from which claim 14 depends. Accordingly, this rejection should be withdrawn.

VII. Rejection of Claims 15 and 16 Under 35 U.S.C. §103(a)

Claims 15 and 16 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Ginsberg (US 2003/0055774). Withdrawal of this rejection is respectfully requested for at least the following reasons. The improper combination of Irribarren and Eso is not overcome by Ginsberg, which relates to redistributing excess profits obtained from a sale of an item at artificially high prices. (*See* paragraphs 0006, 00041). Moreover, there is no motivation to combine Ginsberg with Irribarren or a combination

of Irribarren and Eso, as Irribarren seeks to address unmet demand for auctions that fail whereas Ginsberg seeks to reallocate excess profits for transactions that have improperly succeeded – goals that are virtually direct opposites for each feature.

For example, Ginsberg is based upon public exchange trading where price points are set by the market (*e.g.*, supply vs. demand) whereas Irribarren is directed to auctions where both buyers and sellers define their own price points. A system where participants individually decide price points (Irribarren) is not conducive to a model that unilaterally determines a fair price (*e.g.*, the market average) and redistributes some of the excess profits to certain market participants (Ginsberg). That is, a participant in Irribarren may be purposely bidding outside some hypothetical market average because a buy or sell transaction only has utility at the solicited price. Yet the combination of Ginsberg would destroy this feature of auctions even if the auction had the requisite liquidity to establish an average price as is the case with commodity exchanges.

In addition, there is no motivation to combine Ginsberg with Eso or a combination of Eso and Irribarren because, as described *supra*, Ginsberg relates to exchange trading of a single, discrete commodity, whereas Eso relates to auctions for heterogeneous products. These two types of trading are materially distinct in that one requires a fungible, well-defined product and price and the other requires arbitrary pricing for several distinct products. Accordingly, this rejection of claims 15 and 16 should be withdrawn.

VIII. Rejection of Claim 17 Under 35 U.S.C. §103(a)

Claim 17 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and in view of Ginsberg, and further in view of PTO 892 reference W (hereinafter referred to as “892W”). Withdrawal of this rejection is respectfully requested for at least the following reasons. The improper combination of Irribarren, Eso, and Ginsberg is not surmounted by 892W, which relates to price match guarantees (PGMs). In addition, there is further no motivation to combine 892W with either Irribarren, Eso, or a combination of Irribarren and Eso since neither Irribarren nor Eso are directed to retail outlet stores (as is 892W), but rather directed to auctions. While retail outlet stores may have an incentive to reduce prices to obtain customer loyalty, there is no such impetus for typical auction participants. In accordance therewith, this rejection of claim 17 should be withdrawn.

IX. Rejection of Claims 18 and 19 Under 35 U.S.C. §103(a)

Claims 18 and 19 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and in view of Ginsberg and in view of 892W, and in further view of PTO 892 reference U (hereinafter referred to as “892U”). Withdrawal of this rejection is requested for at least the following reasons. The improper combination of Irribarren, Eso, Ginsberg, and 892U is not overcome by the introduction of 892W, which relates to a merger between two e-commerce software companies. In addition, there is further no motivation to combine 892U with at least Irribarren or Eso, or a combination of these references for substantially the reasons provided *supra*. Accordingly, this rejection of claims 18 and 19 should be withdrawn.

X. Rejection of Claim 20 Under 35 U.S.C. §103(a)

Claim 20 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and in view of Ginsberg and in view of 892W, and in further view of PTO 892 reference V (hereinafter referred to as “892V”). It is requested that this rejection be withdrawn for at least the following reasons. The application of 892V does not remedy the shortcomings in connection with the combinations of Irribarren, Eso, Ginsberg, and 892W. Moreover, 892V is not permissibly combinable with any of Irribarren, Eso, or the combination of Irribarren and Eso substantially for the reasons detailed above. Accordingly, this rejection of claim 20 should be withdrawn.

XI. Rejection of Claims 38 and 39 Under 35 U.S.C. §103(a)

Claims 38 and 39 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and in further view of Cao, *et al.* (US 2003/0195832, hereinafter referred to as “Cao”). Withdrawal of this rejection is requested for at least the following reasons. The improper combination of Irribarren and Eso is not overcome by Cao, which relates to examining historical bids to determine a probability of winning a current bid. Accordingly, this rejection of claims 38 and 39 should be withdrawn.

CONCLUSION

The present application is believed to be in condition for allowance in view of the above comments and amendments. A prompt action to such end is earnestly solicited.

In the event any fees are due in connection with this document, the Commissioner is authorized to charge those fees to Deposit Account No. 50-1063 [GEDP111USA].

Should the Examiner believe a telephone interview would be helpful to expedite favorable prosecution, the Examiner is invited to contact applicant's undersigned representative at the telephone number below.

Respectfully submitted,

AMIN, TUROC & CALVIN, LLP

/David W. Grillo/

David W. Grillo

Reg. No. 52,970

AMIN, TUROC & CALVIN, LLP
24TH Floor, National City Center
1900 E. 9TH Street
Cleveland, Ohio 44114
Telephone (216) 696-8730
Facsimile (216) 696-8731